

York City and in 1962 was elected to the New York City Council where he was an influential advocate on a number of critical issues. After 15 years of service as a councilman, he was elected to the United States House of Representatives in 1976 for the 95th Congress and was reelected to each of the succeeding seven Congresses. During his tenure in the House, Congressman Weiss diligently served as a leader on the House Banking Committee, as well as on the Committees on Foreign Affairs and Government Operations.

He faithfully served this body and his adopted country until his untimely death in September of 1992. The naming of this Federal building in his honor is a fitting tribute to a respected former colleague.

I want to commend our colleague and former committee member, the gentleman from New York (Mr. NADLER), for his persistence in bringing this legislation, not only this Congress, but in the past Congress. For reasons of schedule and other matters, it was not successfully negotiated through the other body. I hope by bringing it up today and moving it through the House in an expeditious fashion we can receive the same result in the Senate and get this fitting bill to the President of the United States for his signature so that this building may be appropriately named.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to thank the gentleman from Alaska (Mr. YOUNG); the ranking member, the gentleman from Minnesota (Mr. OBERSTAR); and the gentleman from Ohio (Mr. LATOURETTE), the subcommittee chairman; and the ranking member, the gentlewoman from the District of Columbia (Ms. NORTON), for their bipartisan support and expeditious handling of this bill on behalf of our former colleague, Ted Weiss.

Ted Weiss was my predecessor in this House. Ted Weiss first ran for Congress in 1966. I was a freshman in Columbia College, and I worked on that campaign. He ran on an anti-Vietnam War platform, and he was not successful. But whereas the previous candidate had lost to the incumbent by 2,500 votes, Ted Weiss lost by 61 votes. Two years later in 1976, Ted Weiss was elected to be Congress where we owe him a great debt of thanks for his dedication for increased funding for AIDS research. In fact, Ted Weiss was the sponsor of the very first funds for AIDS research in this House.

He was a staunch supporter for the human rights movement, and he worked to ensure dignity and equality for Vietnam veterans. He was a great supporter of the rights and aid to Vietnam veterans. These were a few of the causes of which Ted was a tireless advocate and worker.

He was born in Hungary, as was mentioned. He escaped with his family on

the last ship out of Hungary before World War II. He settled in New Jersey. He graduated from South Amboy High School in 1946. After his service in the Army, he attended Syracuse University, earning both undergraduate and law degrees.

In 1953 Ted entered public service as an assistant district attorney in New York City. He served as assistant D.A. for a number of years. As a matter of interest, he roomed with a friend of his while he was assistant district attorney. The friend went on to become the minority leader of the State Senate in later years.

In 1961 Ted was elected to the New York City Council, being the first reformed Democratic member of the city council and served on the city council until his election to Congress in 1976.

The Almanac of American Politics for many years when it talked about Ted's election to Congress mentioned that he had become so recognized as a tribune of the people that in an open, solidly Democratic seat he was unopposed for an open Democratic seat in the primary. He declared his candidacy and no one else ran. During his tenure in Congress, he was a staunch supporter of civil liberties. His legislative record was built around the service of the Government Operations Committee where he chaired the Subcommittee on Human Resources and Intergovernmental Relations.

He was instrumental in establishing procedures for the timely planned conversion of surplus military bases to peacetime uses. He was the recipient of numerous awards and honors, including the NAACP's National Legislative Award.

It is most fitting and proper that we honor Ted Weiss by designating the Federal building at 290 Broadway as the Ted Weiss Federal Building. It is in what was Congressman Weiss's district. It would be a fitting tribute to his memory and to the great service he rendered to the State of New York and to the United States.

Mr. Speaker, I urge support for H.R. 145. I do hope this time the Senate will not be totally tied up in bureaucracy and we will manage to pass this bill in time. I know of no opposition to the bill. I again thank the other people who have helped with this, including the gentleman from Ohio (Mr. LATOURETTE). Mr. Speaker, I urge the passage of this bill unanimously.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. MALONEY. Mr. Speaker, I am delighted to join my colleagues in honoring Congressman Ted Weiss and encouraging them to support H.R. 145 to name a federal building in his honor.

Ted Weiss was often referred to as the conscience of the House for his idealism, independence and unwavering commitment to improving the quality of life for all Americans.

He exemplified all the attributes of a great member of Congress—he championed the disadvantaged, stood up for his principles and

used the oversight power of Congress to effect real improvement in health care and food safety.

By naming a building in his honor, we will be recognizing his legacy.

Congressman Weiss relished his position as a member of Congress, saying after his election that at last, he was "where the clout is."

Even his strongest critics were impressed by his appetite for hard work, his intellectual honesty and his zest for thorough research.

He was a staunch supporter of civil rights, criticizing the Reagan Administration for its handling of civil rights complaints against schools and colleges.

An unrepentant liberal, Congressman Weiss was best known for his advocacy on health care issues and food safety.

Millions of Americans benefitted from his dedication and keen desire to investigate problems presented to him.

As Chairman of the Subcommittee on Intergovernmental Relations and Human Resources, Congress Weiss had jurisdiction over the Department of Health and Human Services.

He used his position to advocate tougher testing of food additives, stricter government oversight of Federally financed scientific research and new regulations to allow AIDS medication to reach the marketplace quickly.

He was the first to hold Congressional hearings to seriously question the safety of breast implants.

Following the appearance of Acquired Immune Deficiency Syndrome (AIDS) in the early 1980s, he became one of the most active members of Congress in seeking a strong federal response.

His committee was the first to hold hearings on AIDS in 1983.

Eventually he held more than 20 hearings to push the federal government to dedicate more funding and staff to combat the epidemic.

Congressman Ted Weiss brought real humanity and a sense of decency to public office.

He was a dedicated New Yorker who truly cared about the people he served.

For all of the foregoing reasons, I am hopeful that we will recognize the achievements of Congressman Ted Weiss by naming 290 Broadway in his honor.

Mr. LATOURETTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 145.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. LATOURETTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 145, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

## MORTGAGE SERVICING CLARIFICATION ACT

Mr. ROYCE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 314) to amend the Fair Debt Collection Practices Act to exempt mortgage servicers from certain requirements of the Act with respect to federally related mortgage loans secured by a first lien, and for other purposes.

The Clerk read as follows:

H.R. 314

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Mortgage Servicing Clarification Act".

### SEC. 2. MORTGAGE SERVICING CLARIFICATION.

(a) IN GENERAL.—The Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended—

(1) by redesignating section 818 as section 819; and

(2) by inserting after section 817 the following new section:

#### "§818. Mortgage servicer exemption

"(a) EXEMPTION.—A covered mortgage servicer who, whether by assignment, sale or transfer, becomes the person responsible for servicing federally related mortgage loans secured by first liens that include loans that were in default at the time such person became responsible for the servicing of such federally related mortgage loans shall be exempt from the requirements of section 807(11) in connection with the collection of any debt arising from such defaulted federally related mortgage loans.

"(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) COVERED MORTGAGE SERVICER.—The term 'covered mortgage servicer' means any servicer of federally related mortgage loans secured by first liens—

"(A) who is also debt collector; and

"(B) for whom the collection of delinquent debts is incidental to the servicer's primary function of servicing current federally related mortgage loans.

"(2) FEDERALLY RELATED MORTGAGE LOAN.—The term 'federally related mortgage loan' has the meaning given to such term in section 3(1) of the Real Estate Settlement Procedures Act of 1974, except that, for purposes of this section, such term includes only loans secured by first liens.

"(3) PERSON.—The term 'person' has the meaning given to such term in section 3(5) of the Real Estate Settlement Procedures Act of 1974.

"(4) SERVICER; SERVICING.—The terms 'servicer' and 'servicing' have the meanings given to such terms in section 6(i) of the Real Estate Settlement Procedures Act of 1974."

(b) CLERICAL AMENDMENT.—The table of sections for the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended—

(1) by redesignating the item relating to section 818 as section 819; and

(2) by inserting after the item relating to section 817 the following new item:

"818. Mortgage servicer exemption."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROYCE) and the gentleman from New York (Mr. MEEKS) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROYCE).

### GENERAL LEAVE

Mr. ROYCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 314.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in strong support of this bipartisan legislation, H.R. 314. This is the Mortgage Servicing Clarification Act, which I have introduced with my colleague, the gentleman from Pennsylvania (Mr. KANJORSKI).

This carefully written legislation addresses a specific problem for consumers and businesses involved in the mortgage servicing industry by simply clarifying the existing law governing mortgage servicing.

This uncontroversial bill enjoys strong bipartisan support and has been approved for consideration under the suspension of the rules by both the chairman and the ranking member of the Committee on Financial Services.

Mr. Speaker, I introduced this bill to fix a problem in the mortgage servicing industry which has hampered the abilities of this industry to serve its clients effectively and to conduct its business efficiently for too long.

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Currently, when a mortgage servicing company acquires the rights to service a portfolio of home loans, it is exempt from the unnecessary strictures of the Fair Debt Collection Practices Act under the creditor exemption that was also extended to the originator of the mortgage. The new mortgage servicer is extended this exemption because its relationship to the borrower is more like a relationship between a borrower and a lender than it is like the relationship between a borrower and a true collections agency. The law already recognizes this reality.

However, in the typical loan servicing portfolio transfer, a small percentage of the loans acquired by a new servicer will inevitably be delinquent or technically in default at the time of transfer. These loans are currently treated by the law as being subject to the Fair Debt Collection Practices Act, and subsequently, the new servicers of these loans are required to provide certain form notices, known as Miranda warnings, to the borrower.

The law also currently requires that in every subsequent contact, both written and oral, whether initiated by the servicer or the borrower, the servicer is required to provide a shorter mini-Miranda notice disclosing that the communication is an attempt to collect a debt, and that any information provided by the borrower will be used toward that end.

The purpose of these cookie-cutter warnings is to prevent unscrupulous debt collectors from using false or mis-

leading tactics, such as a phony winning sweepstakes claim, to trick consumers into divulging private financial information or personal details like their home address or their phone number.

The Fair Debt Collections Practices Act has worked extremely well in preventing bad actors in the debt collections business from using lies and deceit to harm consumers, and this legislation would in no way prevent it from continuing to protect American consumers.

However, as I have already mentioned, mortgage servicers are not like debt collectors. Their role to consumers is much more like that of a mortgage originator, and in the context of a mortgage servicing transfer, these Miranda notices are both detrimental to consumers and unnecessary and inefficient for mortgage servicers' operations.

First, the notice misleads the borrower about the nature of the relationship between him- or herself and the new servicer. Unlike true debt collectors, mortgage servicers have a long-term relationship with their client, and these harshly worded notices often have the effect of discouraging a borrower who was slightly late on a mortgage payment from contacting their new servicer for fear that the servicer is a true third-party debt collector. This ends up frustrating the servicer's efforts to work with delinquent borrowers on developing strategies to bring their loans current and keep their credit ratings intact.

A mortgage servicer's biggest hurdle in helping delinquent borrowers to help themselves is getting them on the phone, and these threatening Miranda notices only contribute to that unnecessary fear without doing anything to help the borrower. Additionally, the information protected by the Miranda notices is information already in the servicer's possession. So nothing new is truly protected by requiring these additional legalistic and threatening notices be provided.

Finally, these warnings simply make consumers feel unnecessarily defensive and antagonistic toward their new servicer during the first step of their new association, which can have a chilling effect on the rest of their relationship.

Mortgage servicers typically send these Miranda notices along with a new customer's welcome letter as required by the Real Estate Settlement Procedures Act, and this letter also includes important consumer information about the new servicer and the borrower's monthly payment arrangements. This preliminary contact is the first opportunity that a servicer has to create a positive relationship with a new client, and the harsh language used in the Miranda warning can create animosity between the servicer where none need exist.

Additionally, because the mini-Miranda is required in all subsequent contacts, they can continue for decades,